

HOW CAN FOR-PROFIT COMPANIES ACTIVELY PLAY A ROLE IN NON-PROFIT ASSOCIATIONS ?



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VIRTUOLOGY
INTERNATIONAL

Virtuology Foundation

Make People Grow



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Introduction

As part of our final assignment within our masters degree in Financial management at the Vlerick Business School, students were instructed to complete an “In-Company Project” (ICP). This written paper will give you a complete and coherent outline of the project that we completed for Prof. Cedric Donck, CEO of Virtuology International and Professor of Entrepreneurship at the school.

When Vlerick gave us the task to look for an ICP we immediately brainstormed together and asked ourselves; what do we want to achieve with this project? It became clear for us that we wanted to opt for a project with a social purpose. The reason explaining this is very simple. For the rest of our working life we will most likely work for a profit-driven company. Hence, now was a good opportunity to be involved in some social projects, with the intention of doing something good for the community. The project offered by Prof. Cedric Donck, met all our criteria for a perfect in-company project. A more detailed description of the work performed during this ICP is provided in the problem setting section.

This written report will start by discussing the problem setting. As stated above, this paragraph will contain a detailed and coherent outline of our project and track what we have done over the course of the two-months project. It has served as our plan of action.

Afterwards, the project’s working methodology will be tackled. In this paragraph our plan of action will be outlined, what we did and why did we do it. Subsequently, the most important and relevant findings in the literature are given in the academic research paragraph. Lastly, the most important paragraph of our in-company project will discuss all the outcomes of the work that has been accomplished. Examples are the bylaws, financial plan, mission, vision & values, etc.



1. Problem Setting

Virtuology International is a group of agencies that was founded in 2012. The vision that has driven the group since its inception is bringing the leading digital marketing firms together under the same roof. A main key factor of success regarding its business activity is constantly being attuned to new trends and always being attentive to the most recent innovations in order to best serve its clients.

Spotting the right core business activities is not Virtuology's only key factor of success: investing in people is also a main driver for the company's development. The talented individuals that make up the backbone of the group are also its primary wealth. They receive full support in their business development as well as in their personal growth. Their enthusiasm and motivation are the mortar for Virtuology's vision. The belief is that thriving collaborators will be able to delight clients. Inspiring career opportunities, a work environment with multiple challenges, and trust in the potential of each person are the secrets to success. This is a winning approach, and not only are they not about to change it, but they will deepen this aspect with the creation of a foundation where all the staff can contribute to it.

In the same way as Virtuology International was created, Cedric Donck (Founder & CEO) has created and contributed privately (financially and operationally) to various different initiatives. All those different projects are currently still running, and the wish is to gather all the initiatives under one legal entity: Virtuology Foundation.

Virtuology foundation is meant to be the philanthropic relationship between a profit organization and a non-profit organization. As such, both organizations share the same core values of integrity, excellence, solidarity, respect, and joy.

As initially planned, the In-Company Project was a great way to have a sense of the social impact a foundation could have on local communities. Not only was the initial focus on the legal and financial aspects of the foundation, we would also directly contribute and have a local impact



through a five-week trip to Madagascar, where some of the activities and projects of the group take place.

In light of the current events regarding COVID-19, the initial plans of living a local experience changed and our team had to work remotely. The social and sustainable objectives of the foundation remained unchanged, but the work to be done focused on the set up of a legal entity and building a sustainable business plan. All in all, the company supervisor managed to give us very practical tasks, despite the cancellation of the trip.

Below is a detailed step-by-step description of the work performed over the ICP-period:

1. Setting up the Virtuology foundation:

- a. Define the adequate legal structure
- b. Create the appropriate Bylaws of the Virtuology Foundation
- c. Research on Fiscal Matters & Tax Deductibility for donations
- d. Look into similarities with the Fondation Roi Baudouin
- e. Define the goals, mission, vision & values of the foundation
 - i. Mission: what does the foundation do & what is the foundation's business & objectives + how to reach those objectives, who do they serve and how do they serve them?
 - ii. Vision: What does the foundation want to become? Desired future position?
 - iii. Values: similar values as Virtuology International

2. Definition of the governance structure:

- a. Membership
- b. Financing
- c. Project selection criteria
- d. Reporting to the donors

3. Creation of a website for the Virtuology Foundation: Virtuologyfoundation.org

4. Creation of a 3-year sustainable business plan for the Foundation:



- a. Develop a written business plan describing the nature, mission & vision of the foundation, its marketing strategy, the financial background and projected P&L and financials of the organization
 - b. Application for governmental subsidies
- 5. Create a communication plan for the Foundation.
 - a. Outlining the marketing efforts of the foundation for the coming year(s). Describing the foundation's marketing activities .
- 6. Presentation of the final outcomes to the Virtuology Managers and to the whole Virtuology Staff



2. Project Methodology

The pre-COVID plan was to fly to Madagascar for five weeks with the company responsible, C. Donck. There, we would work from the company's office in Antananarivo, and carry out the steps to set up the foundation. In addition, we would have visited projects such as "*Le Musée de la Photographie*" which Virtuology is currently funding. Moreover, we would have met several managers of the office to discuss their views on the company and the foundation project. All in all, the objective of the trip was to get a good grasp of the company's values. After the trip, we would have worked out of the Brussels office, where we would have pursued the project, and met regularly with the rest of the management team. The objective was to align the foundation with their vision of what Virtuology stands for.

Due to the global pandemic, almost all of the project had to be done from home. Instead of on-site visits, we were given a very detailed presentation of all the activities covered (profit and non-profit) by Virtuology by Mr. Donck. He made sure we understood the group's purposes and function. Over the duration of the ICP, we had weekly Monday meetings with the company supervisor to discuss our advancement. This was also an opportunity for us to ask for some clarifications on the task, if needed. Depending on our deliverables, the subsequent week's work was revised and adapted. All in all, we managed to respect the project charter and deliver all that was planned.

In addition to the weekly meetings with the company supervisor, and to compensate for the lack of physical meetings, we got the opportunity to call all the managers of the company. During those calls, we usually questioned them on their perspective of the project. We asked them to depict their image of a foundation, the purposes it would serve, and how the staff of Virtuology could efficiently contribute to its success. Moreover, we asked them which projects they would deem of interest to support. All in all, those multiple phone meetings were very useful for us: it gave us a clear picture of what Virtuology really stands for. All managers described how they perceived the company's vision, mission and values. The sum of all those opinions was very helpful in devising the philanthropic branch of the group.



For some aspects in which we were not competent, we have resorted to advice from relatives and acquaintances. For example, we collaborated with a student pursuing a master in Fiscal Law to advise us on the fiscal status of ASBL (VZW) and IASBL (IVZW), and the corresponding deductibility rules in the context of donations. Likewise, we contacted an acquaintance who had experience in working for and setting up both Foundations and ASBLs, who advised us on the best structure to select for Virtuology. Thirdly, another contact with a law background proofread the draft of the bylaws we established. Those bylaws were also inspired by other non-profits we were familiar with. In general, we made sure that the information we found on official governmental websites was still relevant and applicable to our specific case through sharing our findings with the above-mentioned contacts. It has been very helpful in ensuring our work was correct before presenting it to the company supervisor, the management, and Vlerick.

On May the 29th, we presented the philanthropic plan to the management of Virtuology. During this presentation, we described the purpose of our project, we laid out our sources and inspirations (including the interviews with them) and defined the vision, the mission and the values of the foundation. Moreover, we introduced them to the association's governance structure, its business plan, and a project selection grid. Last but not least, we offered one way of communicating the setup of this philanthropic plan to all the workforce of Virtuology. This physical meeting with all the group's executives has been very useful in gauging the reception towards the project. The management's feedback was positive.



3. Academic research

Until today not much academic research has been done on the impact of for-profit organizations on non-profit organizations. Most research done in this area of study emphasizes how non-profit organizations can grow using a for-profit organization business model or how profit and non-profits correlate with each other.

James E. (1983) concluded that non-profit organizations typically take on activities in which they derive no satisfaction in order to subsidize activities that they see as higher value adding. Another interesting paper of Clark W. (2012) suggested that due to the overcrowding of non-profits, the traditional income streams for nonprofits such as donations and government grants are drying up. Consequently, alternative income streams should be developed. A sustainable solution to this problem is by implementing strategic thinking into the non-profit management decision making. Nonprofits who can succeed in this by implementing this strategy of strategic thinking will on the long-run find financial success and will not be dependent on donations. For this to work, it is crucial that everyone who is active in the management of the non-profit organization are strategic thinkers in order to provide maximum value. Deducting from the above it can be said that a for-profit organization who wants to create a non-profit organization should emphasize the importance of strategic thinking into the decision-making process if it wants to be self-sustaining in the long run. Implementing strategic thinking into the decision-making process will result in a competitive advantage due to the simple fact that it stimulates the development of creative ideas. This competitive advantage is of fundamental value to the non-profit organization to be able (self-) sustain their program in the future. When a for-profit organization intends to create a non-profit by using the same resources and management used in the for-profit it should make sure that all the people of the for-profit organizations that will also work for the non-profit organization are all strategically competent.

Out of the 4000 NGO's analyzed by A. Mars (2018), only 40% had impact metrics. For Virtuology, it's important to establish control and impact metrics. It holds the fund managers accountable



vis-à-vis the donors. Transparency and demonstrated impact are key to attract further gifts from both previous and new donors. A correlation between a profit and non-profit organization is described by Kaplan R.S. (2003) whose academic research emphasized strategic performance management and the management of non-profit organizations. He concluded that the management of nonprofits are increasingly concerned about measuring and managing organizational performance, just like for-profit organizations. It is essential to not only develop financial measures but also non-financial measures. To analyze the effectiveness, efficiency and performance of a non-profit, one should not solely rely on tools used in for-profits. A helpful tool is to implement a well-structured and developed balanced scorecard which is used as a strategy performance management tool. To develop the scorecard a non-profit organization should first define its strategic objectives and then subdivide them in 1) Financial objectives, 2) Customer/project objectives, 3) Internal processes objective and 4) Organizational capacity objectives. For every objective, certain KPI and targets need to be introduced in order to be able to measure, manage and evaluate the strategic objectives. In the same vein, the donor needs to be informed on the strategic effectiveness of his donations. This includes traceability of the money, cost reports of the foundation, etc. This should incentivize managers to minimize overhead costs and maximize the share of gifts that will effectively reach the projects to be funded. A donor should be able to select foundations in the same way he selects ETFs, i.e. targeting the most cost-efficient funds.

As mentioned above, the academic research on the direct correlation between for-profit organizations & non-profit organizations is quite limited. Although, some case studies can be found. Andreassen A. R. (1996) described a case study where a non-profit organization joins forces with a for-profit organization. The question he asked himself is the following; should nonprofits avoid alliances with for-profit corporations? There are several advantages for a non-profit when it would join forces with a for-profit corporation. First of all, it gives the non-profit access to external sources of funding (and experience). On the other hand, when a for-profit joins forces with a non-profit organization it gives them the opportunity to increase their image towards the external world and this will indirectly affect their bottom-line profit. A clear example of a win-



win situation. This was the case between the joint partnership of American Express and the non-profit Charge Against Hunger. During the first 4 years of the partnership American Express has contributed + 16M to the non-profit. In return, American Express has seen a clear spike in transactions. Both have clearly benefited from this joint partnership. The question to ask here is how can nonprofits and for-profits build a successful and lasting partnership? Both should assess how they can add value to each other. If they can a partnership will (always) be successful.

Rana, S. (2008) analyzed and described the charitable foundation of Google. She concluded that Google's recipe for success lies with the simple fact that its corporate philosophy reaches far beyond profit. Prior to Google's IPO in 2004 the founders announced that they would set up a charitable foundation that would be funded by 1% of Google's profit on a yearly basis as well as a percentage of equity. The goals that were set for the charitable foundation were far grander than goals set for the company itself. The founders believed that philosophy of success for the charitable foundation not only lies with its access to capital but lies in its philosophy that would outreach the company's. One could say that the charitable foundation would be the main driver of the company, and not vice versa. Everything that the company does is for the greater good of the foundation.

Lim, C (2007) research continued on Rana, S research and examined Google's for-profit charitable organization. It is generally known that non-profit statuses have several benefits. These benefits are the following; 1) Tax advantages regarding donations, 2) Tax exemption of non-profit organizations, 3) The founding corporation enjoys an improved (public) image, as stated above this enhanced image can results in more business and so thus indirectly in a higher bottom-line profit, 4) Non-profit organization have less regulatory and monitoring governance and compliance which in turn results in a higher (management) flexibility. Even if non-profit statuses come with a lot of advantages, Google still opted to forgo these benefits and opted to channel its philanthropic efforts through a for-profit charitable organization that is a subsidiary of the Google company. The main reason for this decision is that Google.org (Google's for-profit charity foundation) plans to invest in entrepreneurial, market-based projects and consequently, would be unable to benefit from tax deductions as those market-based projects could be profit driven.



As an example, one of Google.org's projects in which it invests money is to develop an ultra, highly efficient plug-in hybrid car. Their charitable mission with this project is to reduce oil dependency and combat global warming.

Additionally, tax deductions from donations have no to little value to Google for 2 main reasons.

1) The charitable foundation has access to capital and the need for third party donations is limited. 2) Google.org can deduct its expenditures resulting from "investing" in charitable activities. Moreover, at the time of inception of the foundation, Google didn't need to boost their image through social ventures. Furthermore, Google didn't need reduced compliance and monitoring regulations. They already had the infrastructure and the people in place to comply with the much more burdensome regulations and requirements associated with a for-profit organization. Moreover, opting for a for-profit charitable organization gives Google far more flexibility in its choice of charitable projects. This "additional" freedom gives Google.org the opportunity to invest in and develop projects non-profits would avoid. This additional, free flexibility benefits society as a whole. Lastly, it helps Google in diversifying its business.

Lastly, an interesting research done by Banerjee. A & Duflo E. (2012), regarding the poverty gap, he concluded that poverty is not a problem in itself, but the poverty trap is. There will be a poverty trap whenever the scope for growing income or wealth at a very fast rate is limited for those who have too little to invest but expands dramatically for those who can invest a bit more. On the other hand, if the potential for fast growth is high among the poor, and then tapers off as one gets richer, there is no poverty trap. A poverty trap is when an individual doesn't have the necessary funds (initial capex) to start an income-producing activity, and hence will be trapped in poverty. Good target for Virtuology: Allocating money to remedy this trap and provide the initial financial boost can go a long way in raising populations out of poverty. One lump-sum investment can have ever-lasting effects on a community



3.1. Key academic learnings and insights

After reading through relevant academic papers several key learnings and insights can be given regarding the set-up and future functioning of a non-profit organization.

First of all, traditional non-profits have 2 income streams (Donations & Subsidies). It is essential for non-profits to diversify their revenues and with other income streams. A way of obtaining this is by implementing strategic thinking into the non-profit management decision making. Those who can succeed in doing this will in the long run find financial success and will not be dependent on donations. This will result in a competitive advantage due to the simple fact that it stimulates the development of creative ideas. It is of fundamental value to the non-profit organization to be able (self-) sustain their program in the future. Examples are receiving a fixed percentage a year of the profits from a for-profit organization, introducing a salary cap with employees, receiving a certain percentage of equity, etc.

Second, for-profit organizations and non-profit organizations it is both crucial to establish control and impact metrics. A helpful tool is to implement a well-structured and developed balanced scorecard which is used as a strategy performance management tool. To develop the scorecard, a non-profit organization should first define its strategic objectives and then subdivide them in 1) Financial objectives, 2) Customer/project objectives, 3) Internal processes objective, 4) Organizational capacity objectives. For every objective certain KPI & targets needs to be introduced in order to be able to measure, manage and evaluate the strategic objectives. In the same vein, the donor needs to be informed on the strategic effectiveness of his donations. This includes traceability of the money, cost reports of the foundation etc.

A third insight is related to the correlation of for-profits and non-profit organizations. Academical research indicated that both can profit from each other. For-profits organizations having a partnership with a non-profit will boost their image and will ultimately positively affect their bottom-line profit. The question to ask here is how non-profits and for-profits can build a



successful and lasting partnership. Both should assess how they can add value to each other. If they can, a partnership will (always) be successful.

Lastly, there are several advantages associated with a non-profit status. These benefits are the following; 1) Tax advantages regarding donations, 2) Tax exemption of non-profit organizations, 3) The founding corporation enjoys an improved (public) image, as stated above this enhanced image can result in more business and so thus indirectly in a higher bottom-line profit, 4) Non-profit organizations have less regulatory and monitoring governance and compliance which in turn results in a higher (management) flexibility.



4. Project Outcomes

4.1. Legal structure

As Virtuology Foundation arises from Virtuology group, it has to be registered under the Belgian law. As such, a first decision has to be made when it comes to the type of legal structure. Under the Belgian law, there are three types of legal structures for non-profit organizations: ASBL, AISBL, and Foundation. Each legal structure has their own advantages, disadvantages, and specificities of use.

<u>ASBL</u>	<u>AISBL</u>	<u>Foundation</u>
<ul style="list-style-type: none">• There is no capital needed to create the association• At least 2 founding members are required under the new corporate law reform• Social purpose: need for a common non-profit project• Social object: list the actions to be taken to pursue the common goal of the organization• Bylaws represent the basic principles of the ASBL<ul style="list-style-type: none">◦ In order to register, the only requirement is to publish the bylaws (online) through the eGREFFE platform• In Belgium, it is the most basic form of non-profit and the most flexible to manage	<ul style="list-style-type: none">• Is used for International social purposes• The legal structure can only be created with the help of notarial decree• The notary will submit the purpose of the association to the Ministry of Justice for approval• The association is recognized by royal decree which enforces the image of the non-profit• The setting up costs are more expensive than the ASBL due to the mandatory notarial decree• The AISBL is less constrained by rules than the ASBL: the AISBL has two mandatory bodies directed by a few specific rules• The membership rights & obligations are not defined in an AISBL	<ul style="list-style-type: none">• The private foundation must be set up by an authenticated deed, specific indications being obligatory.• A foundation has no members. It is managed by one or more directors, who are natural or legal persons.• The set-up capital of a foundation must be sufficient to ensure the viability of the foundation. The foundation must comply with a number of accounting requirements.• As the foundation has its own legal personality, independent of that of its directors, it has rights and obligations of its own. The directors have limited liability and do not bind their



<ul style="list-style-type: none"> • The reporting obligations depend on the scope of the non-profit (micro – mini – big ASBL) • It is mandatory to constitute a Board of Directors and to organize an annual general assembly • In order to reduce the setup costs (notary costs), there is the possibility to incorporate the association via a private agreement 	<ul style="list-style-type: none"> • Takes a longer time to set-up than an ASBL (minimum of 3 months) • The legal personality of an AISBL is granted on the day of the Royal Decree • At least 2 founding members are required under the new corporate law reform 	<p>own assets to the fate of the foundation.</p>
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After a detailed revision of the different structure types, we advised Virtuology Foundation to adopt the legal entity of ASBL. Its legal for provides a large flexibility to pursue projects, both nationally and internationally. Furthermore, it does not require any notarized deed, which further saves funds that could be invested in social projects. The founding members are not required to bring any equity. As the Virtuology foundation is an independent organization, the ASBL has its own assets, separated from the members. This means there is a limited liability of the members. Lastly, the Belgian fiscality grants an advantageous taxation to the ASBL, but this will be covered in the fiscal section.

The bylaws have been written in French (French speaking Brussels' jurisdiction) and are ready to be filed (Appendix 1). The implementation of the legal statutes has been inspired by different bylaws of other ASBL's with a similar association's purpose as well as the bylaws of Virtuology International themselves.

4.2. Governance policy

Setting up a legal structure of the association is an important step but organizing the management of Virtuology Foundation is another major component.

The law requires for an ASBL at least one General Assembly every year. During this meeting, the assembly will approve the yearly reports and define new Key Performance Indicators (KPI's) for the upcoming year. Lastly, the General Assembly will vote on the project funding allocation. The funding allocation is the end-year's surplus that can be invested to support new projects.

The composition of the General Assembly will be as follows:

- The executive level of Virtuology International
- One (or two) representative of each legal entity of Virtuology Group
- Members of Virtuology Foundation

During the General Assembly, the composition of the Board of Directors will also be voted for a three-year term. At the end of the term, the Directors are eligible for re-election. The Board of Directors is an important organ of the association as they have the legal power of the association. The Board of Directors will meet three times a year and be in charge of the designation of the President, Secretary and Treasurer. All three are required for the association's day-to-day management.

The Selection & Research Committee within the General Assembly will be tasked with selecting the projects to be supported in the subsequent years. This independent body consists of the President and elected members of the Board of Directors. The aim is to search for new incoming projects and apply the selection process criteria (detailed in a further section). When the project meets all the necessary requirements of the selection process, it will be shortlisted and presented to the Board of Directors. Each member of the Board of Director is responsible and accountable for one elected project. The President is responsible for the oversight of the project portfolio.

4.3. Fiscal research

The main objective of the fiscal component of the ICP was to define the deductibility rules of monetary gifts and donations. Those will serve as the main source of revenues of Virtuology's Foundation; hence it was crucial for the founders of the association to understand all rules



associated with them. Since a significant part of Virtuology's personnel and activities take place in France, we also researched the deductibility rules applicable in the French jurisdiction. Most importantly, we enquired whether cross-border donations from individuals or corporations are deductible in the donator's home country as well. While doing research on the applicable fiscal rules, we learned that to be a beneficiary of deductible donations, an association had to be recognized and approved by the relevant authorities. Hence, the steps and requirements to be qualified as such are also depicted below. Another task we were given was to research the tax obligations of a Belgian "ASBL". Both topics were researched using official governmental agencies' websites (SPF Finances) and cross-checking the information with relatives active in Belgian non-profit associations.

4.3.1. Deductibility of donations

In Belgium's fiscal law, donations made by individuals are distinguished from donations made by corporations. Both are fiscally advantageous, but at different degrees. An individual benefits from a tax reduction equal to 45% of the donation, assuming the donation satisfies several criteria:

- (i) The donation must be of an amount equal to or greater than 40 euros (per year and per association)
- (ii) The association must be approved and recognized by the relevant authorities (SPF Finances in Belgium)
- (iii) The organization must issue a tax certificate (a receipt) for the donation it has received. This receipt must be sent to the donor, who uses it to claim a tax reduction
- (iv) The donation is made consideration or other form of compensation (e.g. sponsoring)

Over the course of a year, the tax reduction for the individual can't exceed 10% of his net income, nor can it exceed 392 200 euros (applicable to fiscal year 2019)

For a French individual, donations to organizations in the European Union are also tax deductible up to 66% of the amount of the donation. This means that the donator benefits from a tax reduction of 66% of the amount of the donation. The reduction applies within the limit of 20% of



taxable income for the year. The recipient organization must be approved and recognized in its jurisdiction.

Donations made by corporations are fully deductible from revenues if they satisfy the following criteria:

- (i) The donation must be of an amount equal to or greater than 40 euros (per year and per association)
- (ii) The association must be approved and recognized by the relevant authorities (SPF Finances in Belgium)
- (iii) The organization must issue a tax certificate (a receipt) for the donation it has received. This receipt must be sent to the donor, who uses it to claim a tax reduction
- (iv) The donation is made consideration or other form of compensation (e.g. sponsoring)

For corporations, the amount deducted can't exceed 5% of taxable income, nor can it exceed 500 000 euros.

For French corporations, donations to approved and recognized organizations in the European Union are tax deductible up to 66% of the tax due for any amount less than 2 million euros, and up to 40% for the fraction of the donation greater than 2 million euros. The tax reduction is limited to 20 000 euros or 0.5% of the annual turnover. This means that in France you don't reduce your taxable income by the amount of the donation, but you directly reduce your tax liability.

4.3.2. Recognition and approval of the association

For the donator to be eligible for the tax deduction and/or reduction, the beneficiary of the gift needs to be recognized and approved by the Belgian fiscal authority. Organizations can request for recognition under several categories, e.g. scientific research, victims of war, nature and environment, sustainable development, disabled individuals, developing countries, etc. For Virtuology Foundation, we decided on requesting the recognition under the category of "Institutions that assist developing countries". Another category we looked into was "Institutions fostering cultural development". However, to be eligible in this category, the association needed



to be the beneficiary of governmental subsidies directly related to its activities and needed to have a zone of influence all over Belgium. We estimated that it was more accessible to be approved under the category of assistance to developing countries. Since being approved for only one category is sufficient in being eligible for tax deductions, we settled on this category.

So, in order to be recognized and approved by Belgian authorities, the association needs to organize its activities in a way that:

- (i) focuses on assistance to developing countries
- (ii) are complementary to or in line with the activities which the Belgian public authorities or international organization of which Belgium is a member carry out in the context of assistance to developing countries

Most importantly, the association can't pursue any profit-making aim, either on its own initiative or on that of its organs or members. Virtuology Foundation needs to file an application to request the approval the year prior to the year in which it desires to be eligible for monetary deductions.

The application file must consist of:

- (i) A copy of the articles of association and the list of directors, and a copy of any amendments, as published in the annexes to the *Moniteur belge*.
- (ii) A copy, certified as authentic, dated and signed by a person legally qualified to enter into commitments on behalf of the institution, of the profit and loss statement (income statement) for the last financial year for which the accounts have been closed, with details of the revenue and expenditure headings and an indication of the general administration costs.
- (iii) A copy, certified as authentic, dated and signed by a person legally qualified to enter into commitments on behalf of the institution, of the budget (business plan) for the current accounting year with details of the revenue and expenditure headings and an indication of the general administration costs.

(iv) A calendar of activities and an activity report for the past year, a detailed statement of the current year's projects and other documents that demonstrate that the institution's activities are focused on assisting developing countries.

Once the application is accepted and the association is first recognized by the relevant authorities, the approval is valid for 2 years. After this period, a new application needs to be filed following the same steps. The second recognition is then valid for 4 years. Subsequent to this period, a new application needs to be filed following the same steps. The third recognition is then valid for 6 more years. A new application will then be required every 6 years.

4.3.3. Taxation rules of associations

The association is subject to the tax on legal persons (*taxe sur les personnes morales*), under which it is not taxed on any profits made.

In theory, a non-profit is not taxed on the profits made (for example, the proceeds from a spaghetti party that you occasionally organize to finance the objectives of your non-profit). You should therefore not include these profits in the annual tax return.

However, certain other income must be declared:

- (i) Income from real estate located in Belgium and abroad
- (ii) capital gains on buildings located in Belgium
- (iii) capital gains on major shareholdings (sale, exchange, contribution, etc.)
- (iv) financial advantages or advantages of any kind (in the context of corruption)
- (v) pensions, capital, employer's contributions and premiums
- (vi) costs or benefits of any kind that are not justified
- (vii) car expenses up to a proportion of the benefit of any kind
- (viii) the cost of the mobility allowances up to a proportion of the benefit of any kind

In addition to the taxation of income listed above, nonprofits are subject to an additional patrimonial tax, taxing all the outstanding assets of the organization. It is a tax to compensate for inheritance tax which, in the case of a legal entity, cannot be claimed. The basis for this tax is all



the assets owned by a nonprofit, both tangible (e.g. buildings) and intangible assets (e.g. copyrights) are taken into account. A number of assets, such as real estate located abroad, fall outside this definition. No charges or debts can be deducted from all taxable property, with a few exceptions. The rate of this tax is 0.17% on the total reported assets. The impact of this tax will not be significant for Virtuology. The association will have very minimal assets (or non) at inception and won't acquire any in the years to come. The vast majority of financial resources derived from donations or other activities will be reinvested each year. Hence, the cash reserves will not be listed as assets on the annual balance sheets and won't fall under the patrimonial tax.

4.4. Revenue sourcing and business plan

This section tackles the financial aspect of the foundation. In order to be able to allocate funds to projects it holds dearly, Virtuology Foundation needs to source and raise funds in the first place. In the Appendix 2, you will find the 3-year business plan that has been set in accordance with the management's guidelines.

The revenues will mainly be derived from three sources. First, we imagined sourcing revenue internally via Virtuology Group's staff. Employees of the group will be able to volunteer for a monthly salary rounding. The rounding will then be donated to Virtuology Foundation. Practically, it will work the following way: employees located in Western offices of the company will be able to volunteer for a rounding of their salary to the nearest ten. We have assumed half of the employees would accept the rounding, which delivers on average 5 euros per month (average of all numbers from 0 to 10). Based on 140 employees in European offices, this would generate 4200 euros annually. The same mechanism for the employees in the Madagascar offices would yield 480 euros. We assumed half of the 80 employees would accept to round their salary to the nearest euro (to account for lower nominal wages). Second, the operating companies within Virtuology International itself will be requested to donate 1% of their annual profit before tax. Based on operating profits of 400 000 euros, 1 400 000 euros and 2 000 000 euros in 2020, 2021 and 2022, this would generate 4 000 euros, 14 000 euros and 20 000 euros respectively.



Following Virtuology International's growth, it will quickly account for the vast majority of the revenues of Virtuology nonprofit. On top of this, Virtuology International is already funding the *Musée de la Photographie's* annual budget, which amounts to 24 000 euros annually. The third source of revenues will be derived from donations by private individuals and clients, who share the same set of values as Virtuology Foundation does. In 2022, it is estimated that this third source of revenue will amount to c. 25 000 euros in total, for both individual and company contributions.

One significant advantage of Virtuology Foundation is that it will be run very efficiently. Only a minor portion of the funds will be used to fund the association's expenses. The non-profit does not require any full-time hire, nor office space. The main annual fees will be accountancy fees, publishing fees (*Moniteur belge*), and maintenance fees to run the nonprofit's website. This very lean way of managing the foundation will thus mean that the vast majority of its funds can and will be allocated to the projects supported.

Based on the model's assumptions, the Foundation will have funds amounting to 32 000 euros, 56 000 euros and 73 000 euros in 2020, 2021 and 2022. Today, the funds already allocated to existing projects amount to 32 000 euros annually (*Musée de la Photographie*, *NewCoPark* and *Adanso*). Hence, from 2021 on, Virtuology Foundation will have excess funds to invest in a fourth project. The selection process to determine which project is worthy of an investment will be detailed in the subsequent section.

4.5. Mission, Vision and Values

One of the first and essential tasks performed during the ICP was the creation of the Mission and Vision statement as well as the Values for the foundation. We tackled this assignment by first defining the following 3 questions; Why? How? And What? This is a theory called the Golden Circle Theory developed by Simon Sinek. The theory enables you to better understand your business and what you want to achieve as an entrepreneur, and how you want to achieve it. It is the starting point of creating striking and relevant mission and vision statements. Overall, this



process of defining the foundation's identity was an ongoing process during the 8 months of the project. We brainstormed several ideas each morning within the team, and then shared our results with the company supervisor. Depending on his feedback, we would revise our thinking. It was a true iteration process.

The first question to ask is the "Why?". The why is about the purpose of the foundation, the cause or belief. Concretely it is the very reason why the organization exists. We came up with the following answer: *"Virtuology Foundation has a strong belief that all humans are equal and should be granted equivalent opportunities to build their future. Enabling people to achieve their full potential is the most rewarding goal one can pursue."*

After we found an answer to the why, we asked ourselves the question "How?". We wanted to receive an answer on how the organization wants to accomplish its mission and vision, what does it stand for, etc. We came up with the following 3 pillars on how the organization can achieve its mission and vision. The first one is sustainability: all the supported projects need to be sustainable both operationally and financially in the long run. The second is managerial rigor: a non-profit organization needs to be managed the same way as a profit company does. Lastly, fraternity: Building bridges between people, embracing diversity and together learn from one another. Those 3 pillars were key to us in the creation of the Mission & Vision statement.

The last section in the golden circle theory is the "What?". The What stands for what the foundation actually does. For us, the answer to this question is clear and simple. The foundation wants to support educational, entrepreneurial and cultural projects.

As stated above the golden circle theory and the answers on the Why? How? And What? Questions helped us develop a clear, relevant and strong Vision & Mission statement. The values described for the foundation are identical to the ones of Virtuology International.



- *Vision statement:* Guided by the conviction that everyone should have equal opportunities to build the future they dream of, Virtuology Foundation aims to equip people with the necessary tools and the needed support on their path.
- *Mission statement:* Virtuology Foundation is devoted to building bridges between communities in order to foster the economical, educational and cultural development of people. Our mission is to identify and support people and projects that emphasize human development.
- *Values:* Strive for excellence, Solidarity within the group, Joy and Happiness in the workplace, Respect, Integrity and Transparency

4.6. Operational Outcomes

4.6.1. Project Selection

The selection of new projects is an important step for the continuity and evolution of Virtuology Foundation. The idea behind a selection process is, on one hand, to assess the prospected projects with objectivity, and on the other hand, being consistent in the methods of assessments of the projects.

In order to determine if a project is in line with the overall association's philosophy and culture, the Research and Selection Committee will have to follow a general guideline. This is a grid based upon three main pillars, each weighted average depending on its importance:

1. **Alignment (50%):** The project must be consistent with the overall organization's vision and objectives. The vision as it is defined in the governance structure is the human development in the fields of Education, Culture, and Entrepreneurship. The project needs to be viable as a stand-alone endeavor, both operationally and financially, after a 5-year



period. This means that the support given by Virtuology to launch or support the project was beneficial and helped improved lives of local stakeholders.

2. **Benefits (30%):** The question here is: what are the positive outcomes that can be achieved if Virtuology Foundation decides to support the project ? This pillar requires concrete reasons and these reasons can be used as KPI's to measure the success of the project. Supporting a social project should also add value to the coworkers of Virtuology International as they will have the opportunity to contribute time or financial resources towards its development.
3. **Feasibility (20%):** This means the likelihood of the project being a success and achieving its initial objectives in the defined time horizon. The feasibility is both internal and external to Virtuology Foundation. The internal perspective will focus on the availability of resources (financial, managerial, operational, etc.) within Virtuology to support the project, and the external analysis will focus on the knowledge and background of the team behind the project.

The Selection and Research committee will have to give a score to each criteria of the selection grid (see appendix 3) on a scale of 1 to 10. Based upon the weights of each pillar, the overall score will result in a weighted average of the different criteria. The threshold for a project to be retained and presented to the Board of Directors is 7/10.

4.6.2. Communication Plan

Devising and establishing a foundation is only one part of the job. In order to make it a worthwhile project, it needs to be communicated clearly and efficiently to all the stakeholders. The majority of the stakeholders in this project are Virtuology employees. One concern that was frequently voiced by Virtuology's management during our conversations was the challenge to communicate this philanthropic objective to all employees and generate acceptance among them. In order to involve most of the workforce in the project, we thought of launching a sort of contest within the operating companies. Each year, employees of different operating companies of the group can



join forces to submit a project to the philanthropic branch, for it to be funded. Each team will find a project that it deems worthy of investment and present it to the selection committee. The team that has its project chosen could afterwards also join the general assembly (or potentially the board) of the association. This will serve several objectives. First, the most efficient way to generate sympathy for the project among employees is to enable them to be involved in it. The more sympathy they feel towards the project, the more likely they will be to contribute their financial and time resources to it. Second, it will enable the association to source more potential projects to be supported from various backgrounds. The more projects are submitted to the selection team, the better the outcome of the selection process will be. All in all, it leads to a better representation of the workforce in the Foundation. A potential side effect is an increased employee interaction across the different companies of Virtuology's portfolio.



Key Takeaways

Felix

Every project has its learning points, and during these two months working remotely on the set up of Virtuology Foundation have been enriching on different aspects. Firstly, life never goes as expected: I think the three of us still dream of our initially planned trip to Madagascar. Instead, we had to learn how to structure something out of nothing. At the very beginning the most difficult aspect was dividing the work. Everyone counts on other's input and no progress was made. A key learning point here is just taking the lead at some points and delegate tasks equally. The job we delivered was not very different from a typical consulting job. Surprisingly enough, when we delivered our outcomes to the management of Virtuology Group, everyone was enthusiastic about the project even though a part of the financial revenues of Virtuology Foundation comes from salary rounding and a percentage of the companies' yearly results. Lastly, after a year of studying finance, working in another industry (digital marketing) and on a completely different topic (Foundation) was enjoyable.

Edouard

The personal learnings along this project have been numerous. First of all, I learned a great deal on the practicalities of setting up non-profit associations. The legal and fiscal aspects of it will most likely be useful a few years down the road when I myself get involved in some. Second, it taught me the importance of defining an appropriate "Vision, Mission and Values". I did not realize at first how challenging it would turn out to be to have an accurate and striking statement. However, once it's defined, it helps in structuring all other aspects of the organization. It serves as the backbone and can constantly be referred to. When setting up a business or other organization a few years down the road, I'll definitely go back to Simon Sinek's work and define my own mission, vision and values.

Louis

As the in-company project was more 'action' oriented then academically oriented I've mostly learned to put my acquired knowledge into action. First of all, all the legal and fiscal aspects were



unknown territory. Together with Edouard & Felix we tried to educate ourselves on those topics by reading a lot and talking to experts in the field. Furthermore, the project made me use my creativity to the best of my ability as we had to work individually from home behind our desk. This was a major challenge, but the outcome was what we hoped for. A second part where I used my creativity is when we tried to define the Mission and Vision statement for the foundation. It took us a lot of time and effort to establish the Mission and Vision statement. But with brainstorming and teamwork everything is possible. Lastly the business and financial plan was one of the most exciting moments of the project as we were able to put our acquired knowledge at Vlerick into action and make a sound and coherent business and financial plan. I've thoroughly enjoyed this project for the simple fact that it was action and result oriented.



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Appendices

Appendix 1 - Bylaws of Virtuology Foundation

Statuts de l'A.S.B.L. Virtuology Foundation,

Les fondateurs soussignés :

1. *Nom, prénom et domicile de chaque fondateur, ou, lorsqu'il s'agit d'une personne morale, sa dénomination, sa forme légale, son numéro d'entreprise et l'adresse de son siège ;*

Réunis en Assemblée le DATE, ont convenus de constituer l'a.s.b.l. " Virtuology Foundation " et ont arrêté les statuts suivants.

TITRE I - Dénomination, siège social

Article 1er :

L'association est dénommée Virtuology Foundation. Cette dénomination, immédiatement suivie des mots "association sans but lucratif", ou de l'abréviation « ASBL » écrits lisiblement et en toutes lettres, sera mentionnée sur tous les actes, factures, avis, annonces, publications et autres pièces de ladite association.

Article 2 :

Son siège social est établi à Avenue Louise 523, 1050 Bruxelles. Il est situé dans l'arrondissement judiciaire de Bruxelles Le Conseil d'administration a le pouvoir de déplacer le siège dans tout autre lieu de cette agglomération. L'Assemblée générale ratifie la modification du siège dans les statuts lors de sa première réunion suivante et s'acquitte des formalités de publication requises.

TITRE II - Objet, durée

Article 3 :

L'association Virtuology Foundation a pour but de construire des liens entre communautés afin de favoriser le développement économique, éducatif et culturel des personnes. La mission est d'identifier et de soutenir les personnes et les projets qui mettent l'accent sur le développement humain.

L'association peut accomplir tous les actes se rapportant directement ou indirectement à son objet. Elle



peut prêter son concours et s'intéresser à toute activité similaire à son objet. De plus elle peut accorder son aide ou sa collaboration et participation, par tout moyen, à des entreprises ou organismes, publics ou privés, poursuivant le même objet ou dont l'activité contribuerait ou pourrait contribuer à la réalisation de celui-ci.

Son objet se situe en dehors de tout esprit de lucre comme de tout esprit d'appartenance religieuse, philosophique ou politique.

Article 4 :

L'association est conclue pour une durée illimitée. Elle peut être dissoute à tout moment dans la forme et sous les conditions requises pour les modifications aux statuts. L'Assemblée générale ne peut valablement délibérer sur la dissolution de l'association ou la modification des statuts que conformément aux articles 8 et 20 de la loi coordonnée sur les associations sans buts lucratifs.

TITRE IV - Membres, admission, démission, exclusion

Article 5 :

L'association est composée de membres effectifs et de membres adhérents. Les membres pourront être des personnes physiques et/ou des personnes morales. Les personnes morales mandatent une personne physique pour les représenter dans l'association. Par ailleurs, les personnes morales renseigneront leur dénomination sociale, leur forme juridique, leur siège social et leur numéro d'entreprise.

Article 6 :

L'ASBL compte au moins deux associés effectifs, qui disposent de tous les droits et obligations accordés aux membres visés dans la loi sur les associations sans but lucratif. Les fondateurs susmentionnés sont les premiers membres effectifs. Le président et les administrateurs en fonction possèdent également la qualité de membre effectif.

Les candidats effectifs doivent être proposés à l'assemblée générale. Différents critères rentrent en compte: domiciliation, implication dans l'objet social de l'asbl, service rendu en tant que membre actif, bonne entente avec l'équipe en place.

Les candidats membres adressent par écrit leur candidature à l'Assemblée générale. Celle-ci se prononcera sur l'acceptation du candidat comme membre effectif lors de sa première réunion suivante ou à un moment déterminé de l'année où toutes les candidatures sont regroupées.

Au moins 3 membres effectifs seront présents à cette réunion. La décision est prise à la majorité de 66.67% des membres présents.

L'Assemblée générale peut décider souverainement et sans autre motivation de ne pas accepter un candidat en qualité de membre effectif.

Article 7:



Les membres adhérents sont des entreprises, personnes morales ou personnes physiques, qui exercent leur activité en Belgique ou à l'étranger. Leur nombre est illimité. La demande en vue de devenir membre adhérent est formulée par écrit au Conseil d'administration de l'association. Elle implique l'adhésion aux statuts et au règlement de l'association. Les décisions du Conseil d'administration en matière d'admission de membres ne doivent pas être motivées.

Article 8 :

Le Conseil d'administration tient au siège de l'association un registre des membres. Ce registre contient les mentions prévues par la loi. Tous les membres peuvent consulter au siège de l'association le registre des membres, ainsi que tous les procès-verbaux et décisions de l'Assemblée générale et du Conseil d'administration.

Article 9 :

Chaque membre de l'association est en droit de quitter l'association en remettant sa démission écrite au Conseil d'administration. L'exclusion d'un membre ne peut être prononcée que par l'Assemblée générale à la majorité des deux tiers des voix présentes. Les membres dont l'exclusion est proposée, doivent, en tous cas avoir été convoqués par lettre recommandée afin de pouvoir présenter leur défense. Ni le démissionnaire, ni le membre exclu, ni ses ayants droits ne peuvent en rien prétendre au fonds social, ou exiger le remboursement des montants qu'ils ont versés.

TITRE V - Assemblée générale

Article 10 :

L'Assemblée générale est composée de tous les membres effectifs en ordre de cotisation. Elle est présidée par le président du Conseil d'Administration.

Article 12 :

L'Assemblée générale est le pouvoir souverain de l'association. Elle détient les pouvoirs qui lui sont expressément reconnus par la loi et par les présents statuts. Sont notamment réservés à sa compétence moyennant un vote à la majorité des deux tiers des membres:

- Les modifications des statuts sociaux
- La fixation et la modification du nombre d'administrateurs
- La nomination et la révocation des administrateurs
- L'exclusion d'un membre
- L'approbation du budget et des comptes
- L'octroi de la décharge aux administrateurs
- La dissolution de l'association
- Tous les autres cas où la loi et les statuts l'exigent

Article 13 :

L'Assemblée générale ordinaire se réunit le deuxième mercredi de juin à onze heures. Si ce jour est un jour férié, l'assemblée générale ordinaire a lieu le jour ouvrable suivant.

Les membres peuvent à tout moment être convoqués en Assemblée générale extraordinaire sur décision du Conseil d'administration ou sur la demande d'un quatrième des membres. Cette requête doit mentionner les différents points devant être présentés à l'assemblée qui se réunira dans les cinq semaines suivant la requête.

L'Assemblée générale est convoquée par lettre ordinaire au moins quinze jours avant la date de la réunion, la date de la poste faisant foi. L'invitation est signée par le président et un administrateur au nom du Conseil d'administration et mentionne l'endroit, le jour et l'heure de l'assemblée.

L'ordre du jour figure sur la lettre de convocation. L'Assemblée générale ne peut délibérer sur des points ne figurant pas à l'ordre du jour que sur décision du Conseil d'administration.

Article 14 :

Chaque membre effectif est en droit d'assister à l'assemblée et bénéficie du droit de vote, il dispose d'une voix. Chaque mandataire d'une personne morale membre ne peut être porteur que de deux procurations, y compris celle de son entreprise. Chaque membre, personne physique, ne peut être porteur que d'une procuration.

Article 15 :

Les décisions sont prises à la majorité simple des membres présents ou représentés, sauf stipulation contraire dans la loi ou les statuts. En cas de parité des suffrages, la voix du président, ou en son absence du l'administrateur le plus ancien qui préside le Conseil d'administration, est déterminante.

Article 16 :

L'Assemblée générale ne peut valablement délibérer ou prendre de décision sur les modifications des statuts ou la dissolution de l'association que lorsque leur objet est explicitement mentionné dans la lettre de convocation et lorsque les deux tiers des membres sont présents ou représentés à l'assemblée. Si deux tiers des membres ne sont pas présents ou représentés à la première assemblée, le Conseil d'administration doit convoquer une deuxième assemblée qui sera tenue au plus tôt le trentième jour suivant la date de la première Assemblée générale, les mêmes modalités de décision prévalant, cette assemblée peut délibérer quel que soit le nombre de membres présents ou représentés. La décision de cette Assemblée générale doit être soumise, pour ratification, au tribunal civil.

Article 17 :

Les décisions de l'Assemblée générale sont consignées au registre des procès-verbaux, signé par le président, ainsi que par les membres qui en font la demande. Ce registre est conservé au siège de l'association où tous les membres peuvent en prendre connaissance sans toutefois déplacer le registre. Toute modification des statuts doit être publiée aux annexes au Moniteur belge dans le mois qui suit la décision de modification, il en va de



même des nominations, des démissions ou destitutions d'administrateurs. Les décisions de l'Assemblée générale et celles du tribunal concernant la dissolution de l'association, les conditions de liquidation et la désignation des liquidateurs, ainsi que les noms, la profession et le domicile des liquidateurs, sont publiés sous forme d'extraits aux annexes au Moniteur belge.

TITRE VI - Conseil d'administration

Article 18 :

L'association est administrée par un Conseil composé d'un minimum de 4 administrateurs et de 8 au plus, choisi parmi les personnes relevant du cadre dirigeant des membres de l'association en ordre définit au préalable. Les membres du Conseil d'administration sont désignés par les fondateurs pour une durée 3 ans et sont en tout temps destituables par cette dernière. Les administrateurs sortants sont toujours rééligibles. Si les mandats ne sont pas renouvelés après expiration des périodes prévues, les administrateurs continuent à exercer leur mandat jusqu'à ce qu'il soit pourvu à leur remplacement. Les administrateurs exercent leur mandat à titre gracieux. Est démissionnaire de plein droit, l'administrateur qui ne remplit plus les conditions requises pour être choisi administrateur en ce compris le manque d'assiduité au Conseil d'administration. Est également démissionnaire de plein droit la personne qui quitte le cadre dirigeant de l'entreprise membre dont il faisait partie au moment de sa nomination.

Article 19 :

Le Conseil d'administration représente et engage l'association dans tous les actes judiciaires et extrajudiciaires. Il peut accomplir tous les actes de gestion et de disposition, pour autant que ceux-ci ne soient pas exclusivement réservés à l'Assemblée générale par la loi ou les statuts.

Article 20 :

Le Conseil d'administration délèguera sous sa responsabilité et dans le cadre du Règlement d'Ordre Intérieur, la gestion journalière de l'association, avec usage de la signature afférente à cette gestion, à un ou plusieurs de ses membres, agissant conjointement.

Article 21 :

De par leur fonction, les administrateurs ne contractent aucune obligation personnelle en ce qui concerne les engagements de l'association et ne sont responsables que de l'exécution de leur mandat.

Article 22:

Le Conseil désigne parmi ses membres à la majorité simple un président, un trésorier, un secrétaire et un comité de sélection de projet .

Article 23:



Le Conseil d'administration se réunit un minimum de trois fois par an et chaque fois que les intérêts de l'association le requièrent, sur la demande du président ou de deux administrateurs. Cinq membres peuvent introduire une requête de convocation, dûment motivée, auprès du président. Les réunions du Conseil sont présidées par le président. En cas d'empêchement ou d'absence du président, la réunion est présidée par l'administrateur le plus ancien. Un administrateur peut se faire représenter aux réunions du Conseil par un autre administrateur, chaque administrateur ne peut être porteur que d'une procuration.

Article 24 :

A chaque réunion du Conseil d'administration, des procès-verbaux sont rédigés par le secrétaire. Ils sont portés sur un registre destiné à cet effet après approbation par les membres présents lors du Conseil d'administration suivant.

Article 25:

L'administrateur qui possède des intérêts contraires à ceux de l'association dans une décision présentée au Conseil d'administration, est tenu d'en avertir le Conseil et de s'abstenir lors de la délibération et du vote.

Article 26:

Les actes qui engagent l'association, autres que ceux de gestion journalière, sont signés par le président et un administrateur.

Article 27:

Le Conseil ne peut prendre de décisions que si la moitié de ses membres sont présents ou représentés. Le cas échéant, un deuxième Conseil sera convoqué et délibérera quel que soit le nombre de voix présentes, à la majorité simple des voix présentes. Les décisions du Conseil sont prises à la majorité des membres présents ou représentés. En cas de parité, la voix du président ou en son absence du l'administrateur le plus ancien qui préside le Conseil d'administration sera prépondérante.

Article 28 :

Le Conseil d'administration a les pouvoirs les plus étendus pour l'administration et la gestion de l'association. Il peut notamment, sans que cette énumération soit limitative et sans préjudice de tous autres pouvoirs dérivant de la loi ou des Statuts, contracter tous actes et contrats, transiger, acquérir, échanger, vendre tous biens meubles et immeubles, hypothéquer, emprunter, conclure des baux de toute durée, accepter tous legs, subsides, donations et transferts, renoncer à tous droits, conférer tous pouvoirs à des mandataires de son choix, membres ou non de l'association, représenter l'association en justice tant en qualité de demanderesse que de défenderesse. Il peut également nommer et révoquer le personnel de l'association, toucher et percevoir toutes sommes et valeurs, retirer toutes sommes et valeurs consignées, ouvrir tous comptes auprès des banques et de l'office des chèques postaux, effectuer sur lesdits comptes toutes opérations et notamment tous retraits de fonds par chèques, ordres de virements ou transferts ou tous autres modes de paiements, prendre en location tous coffres en banque, payer toutes sommes dues par l'association, retirer de la poste, de la douane ainsi que de la société des chemins de fers les lettres, télégrammes et colis recommandés, assurés ou non, encaisser tous mandats-postaux ainsi que toutes assignations ou quittances postales. Tous les pouvoirs qui ne sont pas expressément réservés par les statuts sont de la compétence du Conseil d'administration.

Article 29 :



Le Conseil d'administration nomme, tous les agents employés et membres du personnel de l'association et les destitue; il détermine leurs occupations et traitements.

Article 30 :

Le président ou deux administrateurs peuvent inviter aux réunions du Conseil d'administration, selon les besoins et à titre consultatif, toute personne dont la présence leur paraîtrait nécessaire.

TITRE VII: Budget et comptes

Article 31 :

L'exercice social commence le 1er janvier pour se terminer le 31 décembre. Chaque année, le 31 décembre et pour la première fois le 31 décembre 2020, les écritures sont arrêtées et le Conseil d'administration dresse le compte de l'exercice écoulé. Il établit également le budget qui va commencer. L'adoption des comptes fait par le Conseil d'administration.

Article 32:

L'Assemblée générale peut désigner un commissaire chargé de vérifier les comptes de l'association et de lui présenter un rapport annuel. Il sera alors nommé pour trois ans et rééligible.

TITRE VIII: Dissolution et liquidation

Article 33 :

En cas de dissolution de l'association, conformément à la loi, les opérations de liquidation seront assumées par un liquidateur désigné par le Conseil d'Administration. Le Conseil d'Administration déterminera la destination des biens de l'association en leur donnant une affectation aussi proche que possible de l'objet social.

TITRE IX: Dispositions diverses

Article 34 :

Tout ce qui n'est pas explicitement prévu dans les présents statuts est réglé par la loi coordonnée régissant les associations sans but lucratif.

Fait en trois exemplaires originaux

Le DATE, à Bruxelles.

Signatures



Appendix 2 - Business Plan 2020-2022

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>REVENUES</u>	34 600 €	58 500 €	76 000 €
<u>DONATIONS</u>	34,600 €	58,500 €	76,000 €
Salary rounding Virtuology EU	4,200 €	4,773 €	5,727 €
Salary rounding Virtuology Madagascar	2,400 €	2,727 €	3,273 €
Share of profits from Virtuology OpCos	4,000 €	14,000 €	20,000 €
Virtuology holding's gift to <i>Musée de la Photographie</i>	24,000 €	24,000 €	24,000 €
Donations by private individuals	- €	3,000 €	3,000 €
Donations by companies	- €	10,000 €	20,000 €
<u>OPERATING EXPENSES</u>	2,735 €	2,735 €	2,735 €
Accountancy fees	1,500 €	1,500 €	1,500 €
Publishing fees <i>Moniteur belge</i>	350 €	350 €	350 €
Website	800 €	800 €	800 €
Hosting fees internet domain	65 €	65 €	65 €
Office rent	0 €	0 €	0 €
Banking fees	20 €	20 €	20 €
Patrimonial tax	0 €	0 €	0 €
Delta: revenues net of opex	31,865 €	55,765 €	73,265 €
<u>ALLOCATION OF FUNDS TO SELECTED PROJECTS</u>	32,000 €	32,000 €	32,000 €
Musée de la photographie	24,000 €	24,000 €	24,000 €
Adanso	5,000 €	5,000 €	5,000 €
NewCoPark	3,000 €	3,000 €	3,000 €
<u>NET PROFIT</u>	- 135 €	23 765 €	41 265 €
Corporate tax	- €	- €	- €



Appendix 3 – Projects Selection Grid

Alignment	Criteria	Weight on 10	Total weight (%)
	1 The project fosters human development as defined in the governance in the field of Culture	10	50%
	2 The project fosters human development as defined in the governance in the field of Education	8	
	3 The project fosters human development as defined in the governance in the field of Entrepreneurship	3	
	4 The project will be financially and operationally independent within 5 years	7.5	
	5 Does the project build bridges between communities towards a sustainable future	9	
Alignment score		7.5	
Benefits			
	1 The project adds value to the coworkers of Virtuology International	4	30%
	2 Budgeted five year economic impact of the project (see text box 1)	5	
	3 Budgeted five year educational impact of the project (see text box 1)	8	
	4 Budgeted five year cultural impact of the project (see text box 1)	10	
Benefits score		6.75	
Feasibility			
	1 Quality and experience of the team supporting the project	8	20%
	2 Reasonable time horizon to build a self-sustaining project	10	
	3 Strong financial plan and reasonable investment need	1	
	4 Availability of resources internally to support the project	10	
	5 The project is limited to a financial contribution of maximum 20% of the budget of Virtuology Foundation	1	
Feasibility score		6.00	
Total score			7

Note

For each project submitted, Virtuology builds a budget/business plan with the expected economic, educational and cultural impact over a 5-year timeframe. The expectations will be based on an analysis of the project's feasibility and on discussions with the project's initiators. The benefits of each project are then assessed using the 5-year budget. If the project is funded by Virtuology, the budget (not only financial) will serve as of the tracking device. All the actual outcomes will be measured against the initial expectations. All in all, the set up of a budget will be useful in selecting and then tracking the funded projects.

Appendix 4 – Virtuology Foundation website

<https://virtuologyfoundation.org/>

